

NSC BRIEFING

12 November 1953

IMMEDIATE PROSPECTS IN IRAN

I. The Oil Issue

Reports from Tehran and London on conversations between Herbert Hoover, Jr., and Iranian and British officials show that an oil settlement will be very difficult to achieve.

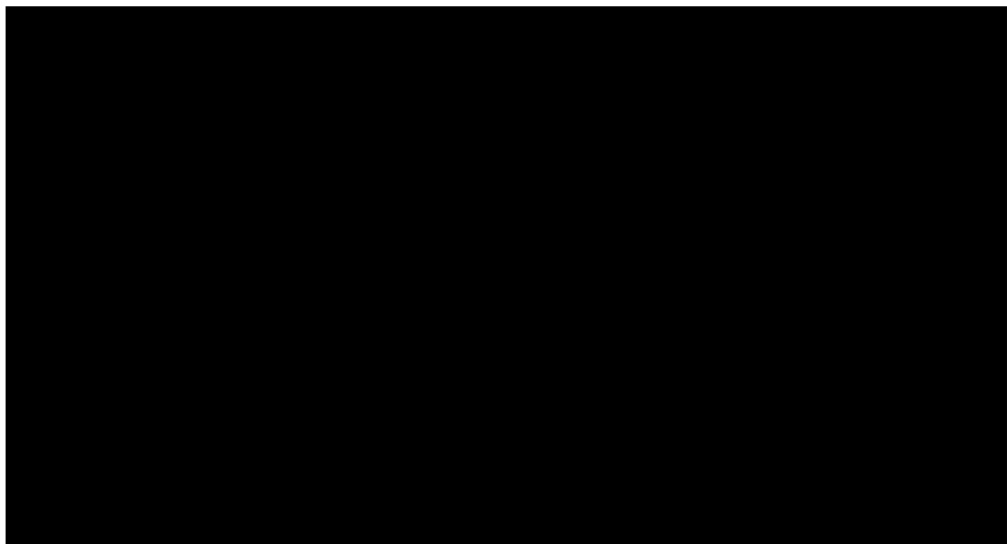
A. When in Tehran in late October, Hoover found top officials badly informed, inflexible in thinking and constrained by fear of popular reaction. He found that:

1. Iran had no actual plans to settle the oil dispute or to resume oil operations.
2. The stand of Prime Minister Zahedi resembles that of Mossadeq's: the British must not return to Iran nor

hold a majority position in any  
company exploiting Iranian oil;  
Iran must be allowed to enjoy all  
the profits from its oil.

3. Zahedi professes to understand the  
difficulties which Iran faces in  
the world oil markets, but insists  
that Iranian public opinion will  
not allow compromise on these  
basic points.

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II. Mossadeq's Trial for Treason

- A. Any desire on part of Zahedi for a quick compromise on the oil issue is also blocked by Mossadeq's current trial.
  - 1. Opening sessions of trial indicate that Mossadeq will attempt to show that he is being prosecuted for opposition to British and for nationalization of Iran's oil. He will try to use court as a sounding

board to embarrass government which, under these circumstances, will feel forced to remain firm in opposing return of British influence to Iran.

2. Mossadeq is also attempting to create impression that he is a popular hero persecuted by his enemies. His appeal to mob emotion is typical of Mossadeq's previous action, but it has not yet been effective at the trial. His actions suggest that he plans to force government to make him a martyr.
3. Mossadeq probably will be found guilty of treason but his disposition presents problems. An Iranian civil law protects men over sixty, as well as women, from execution. The present trial is military, but the civil law might provide a

convenient pretext to avoid  
executing Mossadeq. The government  
may be looking for such a pretext.  
However, if he is exiled or impris-  
oned, Mossadeq would be a rallying  
point for opposition.

III. In Domestic Matters Zahedi is Largely  
Marking Time

- A. He has not been able to form an  
effective political machine to support  
him.
- B. His lack of accomplishment has encour-  
aged opposition elements. Pro-  
Mossadeq groups are active as well as  
individuals hoping to succeed him if he  
is forced out of office.
- C. Anti-Tudeh drive has been effective,  
but the party is rebuilding its

organization, [REDACTED]

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[REDACTED] Only constant attrition by raids and arrests, accompanied by prosecution, will keep Tudeh from again challenging government.

D. Zahedi has failed to make progress on economic and financial problems. The \$45,000,000 in American aid is contributing to budget, but Iran has not presented a program to utilize the aid any further.

E. Zahedi's government appears to expect to solve its problems with an oil income, but there is no indication that an oil settlement is imminent.

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